



CONGRESSMAN JIM SENSENBRENNER NEWS FROM CONGRESS

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FOREIGN AID VETO JEOPARDIZES SOCIAL SECURITY

Time and again since last January's State of the Union address, we've heard President Clinton's talk about the need to, "save Social Security first." Despite these words, it is clear his true interest remains where it always has been – in spending. With each appropriations bill Congress sends to the President, the administration continues to push for more spending, even though greater spending will mean taking a bite out of Social Security. Veto threats are a daily nuisance as he tries to spend more of our money, both on bigger government here and foreign aid overseas.

Foreign aid is one and perhaps the most egregious of the many areas in which the President wants to spend more money at the expense of Social Security. In early October, the Congressional majority –in the face of repeated veto threats - passed H.R. 2606, a responsible foreign aid bill. H.R. 2606 comes in 13 percent under the budget caps set in the 1997 Balanced Budget Act and does not require dipping into Social Security to pay for it. The Administration vetoed the bill.

Yes, the President vetoed the \$12.6 billion bill because it didn't spend enough. He wants

to spend nearly \$2.6 billion more in unnecessary foreign aid programs overseas while turning a blind eye to senior citizens or debt in the U.S. This Administration refuses to face reality: in order to stop raiding Social Security, out of control spending must stop.

We know, for instance, that the President's spending priorities in his fiscal year 2000 budget included his desire to help fund a loan to China for \$178 million to relocate more Chinese to Tibet. The Congressional majority said no. The President wanted to spend \$22.3 million for the Inter-American Foundation, a Latin American grassroots aid organization



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HEALTH CARE REFORM..... SEE PAGE 2



HEALTH CARE:

Faulty Reform



On October 6-7, 1999, the House of Representatives passed a managed care reform bill that will make a great many people happy – namely, trial lawyers and their powerful lobby.

No one can deny that managed care reform is of vital importance to this country. In fact, I supported reform measures that increased accountability and access while maintaining affordability. Those measures would have included mandatory administrative reviews regarding insurers' coverage denials for patients' cases before those cases could become the subject of lawsuits. However, the reform plan that passed by the House in early October - known as the Norwood-Dingell bill after the two congressmen who sponsored it – is a faulty reform package.

The Norwood-Dingell bill is faulty in its deference to litigation. Like several of the other health care reform plans considered by the House in early October, it makes provisions for internal and external review processes for cases in which patients and their families disagree about coverage. However, unlike other better plans, Norwood-Dingell does not require consumers to utilize these processes prior to bringing lawsuits. Patients, therefore, need not commence or complete an internal or external review of their health plan's coverage determination before they go to court. Further, unlike other plans considered by the House, Norwood-Dingell allows patients to sue their employers for the decisions of their health plans.

Needless to say, the Norwood-Dingell plan is likely to lead to a litigation boom. Patients will be able to take their grievances against their insurance provider or their employer directly to state and federal courts, concurrently if they want, with or without having first submitted to an administrative appeal. Patients will not benefit. Where mandatory internal or external reviews would have facilitated timely determination of coverage, there are only long, slow, and expensive legal battles. Many patients' health could deteriorate before their lawsuits are even settled, increasing the probability that only their heirs will see the case resolved.

Trial lawyers, however, will benefit as theirs becomes a growth industry. It is estimated that the number of insurance-related lawsuits in this country will jump from 1,000 to more than 150,000 each year. Trial lawyers who currently collect 60 percent of the money awarded in most medial malpractice cases will see their workload and their wallets grow significantly larger.

But the news gets even worse: the costs of a medical litigation boom and the expensive trial lawyers it will employ will result in increased doctor and hospital costs. Those costs will be passed on to consumers and their insurance companies. Family health care costs will jump by an average of \$350. Liability costs of health plans will increase by 70 – 90 percent, and patients will absorb this and wind up the losers.

Additionally, small businesses will struggle. It is estimated that the new lawsuits will cost small business an average of \$100,000 per lawsuit even if the business is found innocent. That alone could put most small businesses out of business. A recent study states that every one percent increase in health care costs causes 300,000 people to lose their health insurance. Lawsuits are expected to force six of ten small employers to stop voluntarily providing health care coverage. Overall, figures indicate that 57 percent of employers will stop offering health benefits altogether. For employees, that means 44 million more Americans would not have health insurance. For the businesses, in many cases, it means facing the tough choice between denying their employees health coverage or going under.

When an HMO denies coverage, what the patient and the family want is a prompt determination made regarding coverage for the care required. The Norwood-Dingell plan simply does not realize the necessary reforms in the U.S. health care industry. Patients lose, businesses lose, and trial lawyers reap the benefits.

What we need is accountability, accessibility, and affordability in health care. What we got is the trial lawyers relief bill. ■

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that made grants to organizations linked to the kidnapping of Americans in 1997. The Congressional majority gave him only \$5 million for close-out costs to abolish the program.



Additionally, the President wants to spend \$130 million more for Russia; spend \$212 million more on foreign aid to Africa, Latin America, and Asia; spend \$500 million more on international lending programs; spend \$22 million more on international organizations; and spend \$87 million more on debt relief for *other* countries. Not to mention a last minute request from the administration for an addition \$850 million for foreign debt relief.

Where would these additional funds be found? The answer, again, is raiding Social Security.

In the President's budget proposal, he spends 38 percent of the Social Security surplus. Over the next five years he proposes to spend \$200 billion on 120 new programs. In addition, to fund his high priced projects, \$26 billion in new taxes would be charged to hardworking Americans over the next five years.

With the President proposing to preserve *only* 62 percent of the Social Security surplus over the next 15 years, one cannot help wondering what is the Administration's priority: putting an end to debt in the U.S. while preserving Social Security or putting an end to debt abroad at the expense of Social Security.

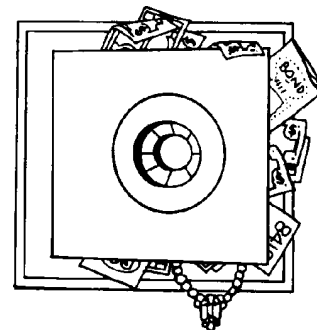
The Congressional majority in Congress is against raiding Social Security. Congress is passing fiscally responsible appropriations

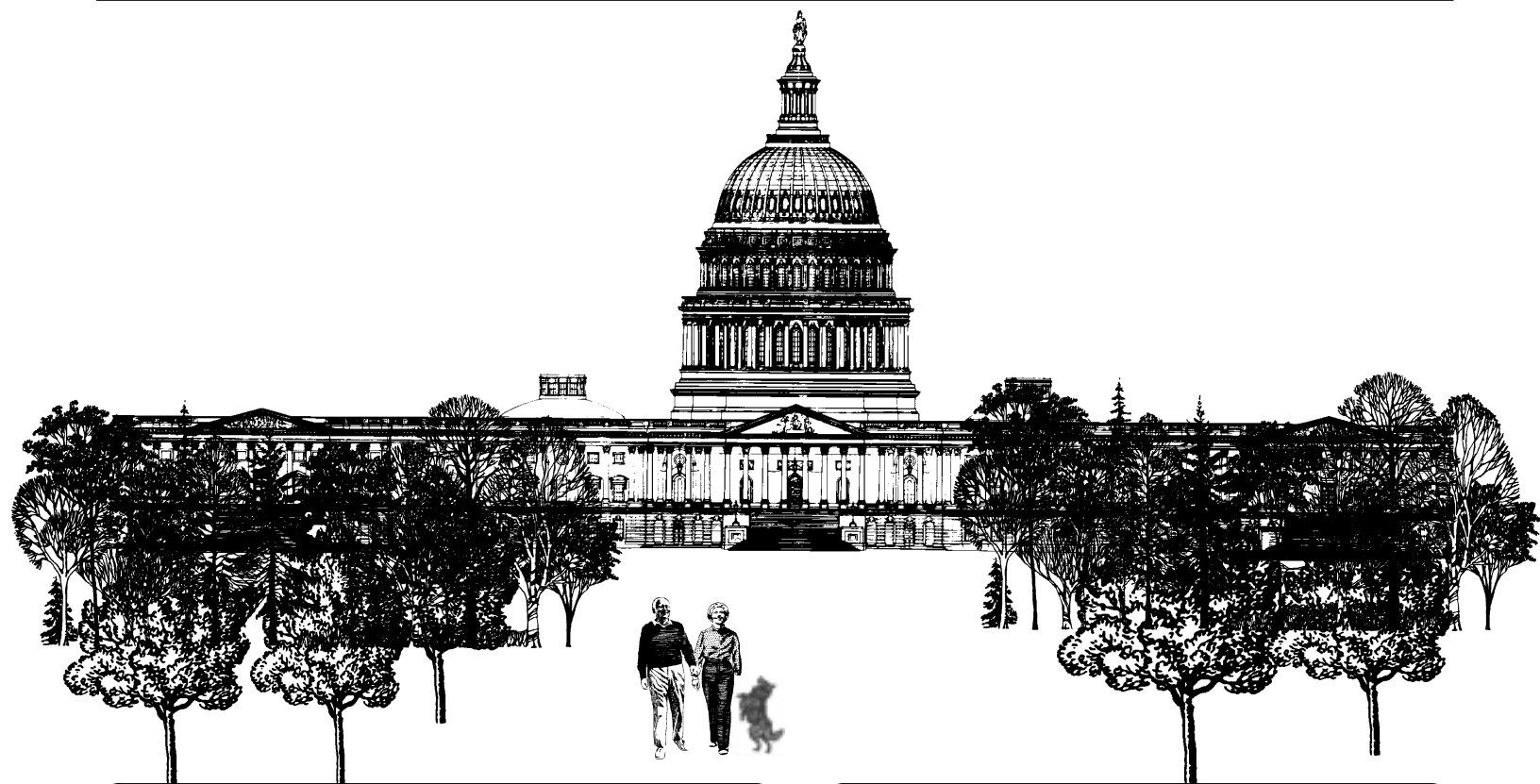
bills that allow us to lock away 100 percent of Social Security for our citizens' future.

For many seniors, Social Security is their sole source of income. Vetoes and veto threats cannot and will not be a deterrent to those in Congress who recognize our obligation to protect this nation's citizens as they get older. Empty promises to, "save Social Security first," cannot make up for borrowing against the futures of today's and tomorrow's senior citizens. The message these actions give is that more government spending on foreign aid is a higher priority than saving Social Security.

Fortunately, the President's questionable spending priorities are not reflected throughout government. The Congressional majority plans to lock away 100 percent of Social Security revenues, including the surplus and interest, exclusively for Social Security and is already working under the requirements of the 1999 Social Security and Medicare Safe Deposit Box Act, prohibiting the use of Social Security Trust Fund dollars for any other purpose. With just a little effort, we *can* protect Social Security and Medicare AND still fund our government.

It's time we take real action to protect our nation's future. We must act now to ensure Social Security's survival by protecting the Trust Fund and making the hard choices on our spending bills that will keep us within the budget caps. I join many of my colleagues in a determination to stop the raid today. That's a goal which is well within our reach.





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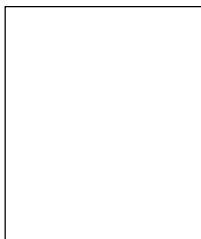
The area code for my **District Office in Brookfield** has changed. The new area code is **262**, effective immediately.

I look forward to hearing from you.

Congressman

JIM

SENSENBRENNER



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